

## **The complaint**

Mrs L, acting as attorney on behalf of Mr M, complains about the service provided by National Savings and Investments ('NS&I') in connection with a bond application.

Mrs L is authorised to bring this complaint.

## **What happened**

Mr M had a six-figure amount to invest with NS&I. After Mr M's attorneys registered the Power of Attorney (POA) with NS&I, they then completed a Guaranteed Growth Bond application for Mr M which NS&I received on 15 January 2025. Over the following months exchanges took place between NS&I and the attorneys, mostly about obtaining further evidence of identity and proof of address from one of the attorneys and NS&I wanted to see the POA document.

When Mrs L complained to NS&I about the delay, NS&I agreed it hadn't handled things as well as it should've done and paid £225 compensation.

When Mrs L brought her complaint to us, NS&I offered a further £50 compensation. The attorneys felt that Mr M had lost out as he'd received a poorer rate of interest on his investment than they'd expected. And they felt the compensation figure didn't account for loss of interest due to the delay processing the application or their resulting distress and inconvenience.

Our investigator looked into the complaint but didn't recommend upholding it. He explained that we don't have power to award attorneys compensation in their personal capacity and he didn't think Mr M had been financially disadvantaged due to errors made by NS&I. He explained it was open to the attorneys to accept NS&I's offer to pay them a further £50, but that this wasn't something the investigator felt we could comment on or enforce.

Mrs L strongly disagreed with the investigator and felt that Mr M should receive significantly more compensation. So the complaint comes to me to decide.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've carried out an independent review and having done so, I've reached the same conclusion as our investigator. Whilst I appreciate how strongly the attorneys feel about everything that happened, I've approached this complaint in a way that reflects the informal service we provide. My role is to consider the evidence presented by the parties and reach an independent, fair and reasonable decision based on the facts of the case and the evidence provided by both sides. In doing so, I may not address everything that's been mentioned and I've only briefly summarised things. But it doesn't mean I haven't considered all the evidence and what's been said – it just means I haven't needed to specifically refer to everything in the same detail as the attorneys in order to reach a decision in this case.

In order to uphold this complaint, I would have to find that NS&I didn't treat Mr M in a fair and reasonable way overall or that it hadn't done enough to put poor service issues right for him. So that's the focus of my decision.

NS&I accepted that in some respects, the service it provided here was below par. So I don't need to say more about the background to this complaint or make any findings about what's already been agreed. I'm going to concentrate in my decision on the question of fair redress. The attorneys are mainly concerned that the compensation amount discussed so far doesn't adequately reflect how frustrating and upsetting what happened has been for the attorneys and also for Mr M, whom they say was aware that matters were unresolved.

Our approach to redress is to aim to look at what's fair and reasonable in all the circumstances of a complaint. One way we would try and do this impartially here is to put Mr M in the position he'd be in if NS&I hadn't been responsible for the poor service issues it has admitted. So my starting point is to think about the impact on Mr M of what happened.

Although NS&I has admitted responsibility for some of the delays that occurred, this hasn't left Mr M out of pocket because NS&I backdated the bond start date to 15 January 2025. This is the date that NS&I received the completed application and accompanying cheque so it's the earliest possible date that the bond could start. It means that NS&I has already put Mr M into the position he would've been in if the application had been completed straightaway. And I am satisfied that NS&I didn't make any error when it opened Mr M's Guaranteed Growth Bond account with an interest rate of 3.6% gross. This correctly reflected the current interest rate that Mr M qualified for on that date. So I don't find that Mr M is worse off in money terms as a result of what happened.

Fair compensation isn't however just about monetary loss – it also needs to properly reflect the wider impact on Mr M of NS&I's service failings. I've taken into account that he was aware matters were ongoing. But from what the attorneys have told me, I understand that they had the day-to-day responsibility for dealing with NS&I. So this limited the direct impact of what happened on Mr M. And as I understand it, his main concern was about securing his investment – which NS&I did when it backdated his bond start date to 15 January 2025.

Keeping all this in mind, I am satisfied that the £225 paid already by NS&I is fair and reasonable to reflect distress and inconvenience caused to Mr M. It's in line with awards made by this service in comparable circumstances and I wouldn't have directed NS&I to pay Mr M any more than this. So, I won't be ordering NS&I to pay any more.

I don't doubt that the attorneys suffered distress and inconvenience dealing with this matter and I'm aware they feel strongly that they should be entitled to receive compensation - but that's not something I can tell NS&I to pay them in their personal capacity. I say this because this complaint concerns Mr M's account and he is NS&I's customer here – so it owes its duty of care to him, and not to those representing him. While the attorneys are eligible to represent Mr M and bring this complaint, I have to consider the impact of any acts or omissions on Mr M as NS&I's customer, rather than on the attorneys personally. Under the rules governing our service, the attorneys (as representatives) aren't entitled to any compensation for distress and inconvenience. I can only tell a business to pay compensation for trouble and upset experienced by its customer, not by a third party. But if NS&I want to pay Mrs L an award that's a matter for the business.

I am aware that one of the attorneys has mentioned some further concerns about NS&I's insistence on seeing either a certified copy of the POA or original POA document when access to this has been provided previously. But I can't comment further on issues that weren't part of Mrs L's initial complaint to NS&I. If the attorneys have further cause for complaint that goes beyond the scope of the complaint brought to us in April 2025, then they need to first tell NS&I what their concerns are, so it has an opportunity to respond. If they still feel unhappy after that, they may be able to bring a new complaint to this service. We can't award redress for any complaint where the financial business hasn't first been given a chance to put things right.

Ultimately, I haven't seen enough to show that NS&I did anything wrong that it hasn't already put right as far as Mr M is concerned. This means I can't uphold this complaint or tell NS&I to increase the compensation it has offered.

NS&I has however confirmed to us that it is holding open a previous offer it made to Mrs L to pay her £50 because of incorrect information given. So Mrs L should contact NS&I direct to take up this offer if she so wishes. As that offer was made to her personally, rather than to Mr M who is the eligible complainant here, it will be for her to decide if she wants to accept that. I hope that setting things out as I've done helps explain how I've reached my conclusions.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 July 2025.

Susan Webb  
**Ombudsman**